



4008

**ANNUAL REPORT**

of

Name: TOUCH AMERICA, INC.

Principal Office: 130 NORTH MAIN  
BUTTE, MT 59701

For the Year Ended: DECEMBER 31, 2001

**Alternative Telecommunications Utility --  
Other Telecommunications Provider**

To

**Public Service Commission of Wisconsin**

Mailing Address:	P.O. Box 7854 Madison, WI 53707-7854
Courier Address:	610 N. Whitney Way Madison, WI 53705-2729
E-mail:	pscrecs@psc.state.wi.us
Telephone:	(608) 267-9504
Facsimile:	(608) 266-3957
Home Page:	<a href="http://psc.wi.gov">http://psc.wi.gov</a>

*This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.*

## RULES FOR REPORTING

1. The annual report due date is April 1 of the following year. (Example: The 2002 report is due April 1, 2003.) If that date falls on a weekend or holiday, the annual report is due the following business day.
2. **Electronic filing via e-mail is required unless additional provisional confidential treatment is desired.** Go to the Public Service Commission of Wisconsin's Web Page at <http://psc.wi.gov>, click on Telecommunications, click on Annual Report Programs and Worksheets, and click on Annual Report Program for Alternative Telecommunications Utility - Other Telecommunications Providers (OTH).
3. Alternative Telecommunications Utility-Other Telecommunications Provider (ATU-Other) entities with no revenues for the report year are required to file an OTH annual report.
4. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records of the utility. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to pertinent regulations.
5. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses.
6. Wherever information is requested in a "note," please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Limited footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
7. Numeric items are limited to digits (0-9). Do not type commas when entering numbers. A minus sign "-" should be entered in the software program to indicate negative values. The program will convert the minus sign to parentheses if a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
8. Please report all dollar amounts to the nearest thousand dollars.
9. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
10. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, the previous year's data should be reported without modification. If modified, an appropriate footnote and explanation should be included in the current year's annual report.
11. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the "Individual or firm, if other than utility employee, preparing this report" portion of the Identification and Ownership schedule, which describes the nature and extent of work performed.
12. The OTH annual report program incorporates provisional confidentiality capability for the following item, based on the Commission's Information Regarding Confidential Filings decision dated February 24, 2003, as supplemented for the new Nonregulated Revenues category on the Operating Revenues schedule:
  - a. Operating Revenues (Particulars, Wisconsin-Based Intrastate, Wisconsin-Based Interstate, Wisconsin-Based Total, and Total Company columns) (pp. 14-15) (Miscellaneous Revenues and Nonregulated Revenues descriptions, other than Video Distance Learning and Directory appearing in the report form, contained in the Particulars column (column a) and respective dollar amounts reported for the Miscellaneous Revenues and Nonregulated Revenues categories in the columns labeled Wisconsin-

## RULES FOR REPORTING

Based Intrastate, Wisconsin-Based Interstate, Wisconsin-Based Total, and Total Company);

- b. Central Office Data-End of Year (p. 19)
  - i. Integrated Service Digital Network (ISDN) Lines-In Use (BRI);
  - ii. ISDN Lines-In Use (PRI);
  - iii. xDSL Lines-In Use;
  - iv. Switched 56 lines in use;
  - v. Digital Transmission Facilities: DS-1-In use;
  - vi. Digital Transmission Facilities: DS-3-In use;
  - vii. Video Information Service-In use (# lines); and
  - viii. Fiber Transmission Facilities: No. of fiber strands working (LIT) in C.O.

If additional provisional confidential treatment is desired, please contact the Commission concerning required manual filing procedures. In this situation, do not file the annual report electronically using the program's e-mail filing capabilities.

- 13. It is not necessary to manually or electronically "sign" the signature page. It is not necessary to file a hardcopy annual report printout with the Commission.
- 14. **Edit Check, Confidential Listing, Exported Annual Report, and Export Status Files; Filing the Completed Report:**

Program edit checks, which are located under the Admin dropdown menu, should be run at the completion of data entry. Each edit problem lists pertinent schedule(s) as well as the nature of the problem (such as "does not equal"). Edit items should be reviewed and corrected; unresolved problems should be footnoted in the report, if necessary. This screen automatically saves the edit checks to an .edt file that may be viewed and edited (for purposes of adding necessary notations) using a word processing package such as WordPad.

The confidential listing, which is located under the Admin dropdown menu, should also be run at the completion of data entry. This will create a .clf file.

Select the annual report to export from the Main-Report Selection window. Click Admin, Export Data to PSC to start the export process. This will create an .mdb file, which will subsequently be encrypted to a file with an .sen extension. An export status file is also created (with a .txt extension). The export status file may also be viewed in a word processing package such as WordPad. If you encounter any export errors, please contact the Commission for assistance.

The .edt, .clf, .sen, and .txt files will be zipped to a file with a .zip extension. An e-mail message will be created, addressed to pscrcs@psc.state.wi.us. The .zip file is automatically attached to the e-mail message. After the e-mail is created, it will automatically be sent to the Commission.

Once received and processed by the Commission, you will receive a response indicating that your annual report has been received and is being processed. You will be notified if there are any problems with the annual report filing.

- 15. **Name Changes:**

If a name change (e.g., the new name, the date of the change, and the affected entities with their respective four-digit Commission identification numbers) is identified in the report, documents from the State of Wisconsin Department of Financial Institutions (DFI) also must be submitted to the Commission:

## **RULES FOR REPORTING**

A domestic corporation should send a copy of the stamped page from its Articles of Amendment as filed with DFI. A foreign corporation should send a copy of their Amended Certificate of Authority as issued by DFI.

*These documents can be obtained by:*

1. Calling DFI at (608) 261-7577;
2. Contacting DFI on the web at <http://wdfi.org>; or
3. By writing to DFI at P.O. Box 7846, Madison, WI 53707-7846.

**A name change is not effective in the Commission's records until a separate notification letter is sent to the Commission including documentation to confirm registration of that change with the State of Wisconsin Department of Financial Institutions.**

### **16. Changes to the Annual Report Subsequent to Filing:**

If making revisions to the report subsequent to an electronic filing with the Commission, resubmit the report via e-mail following the procedures set forth above in item number 14. New edit check, confidential listing, exported annual report, and export status files should be created as a result of the revisions.

Revisions to an annual report previously filed on a manual basis also require a new complete manual filing.

17. Municipalities authorized by the Commission as competitive local exchange carriers (CLECs) should report only the CLEC-related amounts in the OTH annual report.

**SIGNATURE PAGE**

I JERRY PEDERSON of  
(Person responsible for accounts)

TOUCH AMERICA, INC. , certify that I  
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

JERRY PEDERSON 05/03/2002  
(Person responsible for accounts) (Date)

CHIEF FINANCIAL OFFICER  
(Title)

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**IDENTIFICATION AND OWNERSHIP**

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**Exact Utility Name:** TOUCH AMERICA, INC.  
**Utility Location:** 130 NORTH MAIN  
BUTTE, MT 59701

**Utility Web Site Address:** www.tamerica.com  
**Date utility authorized to provide service in Wisconsin:** 02/02/2000  
**State in which utility was organized:** Delaware  
**Organization type (e.g., corporation, partnership):** Corporation  
**New Utility Name:**

**Effective Date:**

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**Officer in charge of correspondence concerning this report**

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**Name:** JERRY PEDERSON  
**Title:** CHIEF FINANCIAL OFFICER  
**Firm/Company:** TOUCH AMERICA, INC.  
**Office Address:** 130 NORTH MAIN  
BUTTE, MT 59701  
  
**Fax Number:** (406) 497 - 2914  
**Telephone Number:** (406) 497 - 5423  
**Email Address:** jerry@tamerica.com

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**Individual or firm, if other than utility employee, preparing this report**

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**Name:**  
**Title:**  
**Firm/Company:**  
**Office Address:**  
  
**Fax Number:**  
**Telephone Number:**  
**Email Address:**

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**Name and address of the office where the utility's books are kept**

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**Name:** JERRY PEDERSON  
**Title:** CHIEF FINANCIAL OFFICER  
**Firm/Company:** TOUCH AMERICA, INC.  
**Office Address:** 130 NORTH MAIN  
BUTTE, MT 59701  
  
**Fax Number:** (406) 497 - 2914  
**Telephone Number:** (406) 497 - 5423  
**Email Address:** jerry@tamerica.com

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**IDENTIFICATION AND OWNERSHIP**

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List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

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**Name:** ENTECH INC.  
**Address:** 130 NORTH MAIN ST  
BUTTE , MT 59701

**Number of Shares Held:** 430  
**Beneficial Owner:** NONE

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List companies owned, controlled, or operated and form and extent of such ownership, control or operation.

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**Company Name:** TOUCH AMERICA INTANGIBLE HOLDING COMPANY, LLC  
**Form of Interest:** DIRECT CONTROL  
**Extent of Interest:** 100%

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**Company Name:** TOUCH AMERICA PURCHASING COMPANY, LLC  
**Form of Interest:** DIRECT CONTROL  
**Extent of Interest:** 100%



**INCOME STATEMENT - TOTAL COMPANY**

<b>Particulars (a)</b>	<b>This Year (b)</b>	<b>Last Year (c)</b>	
Operating Revenues	536,239,744	317,790,191	1
<b>OPERATING EXPENSES</b>			
Access and Billing Expenses	0	0	2
Local Interconnection	0	0	3
Other Charges Imposed by Another Carrier	0	0	4
Communication System Operations	377,350,669	174,274,992	5
Sales and Marketing	50,169,800	30,965,436	6
Administrative and General	54,350,618	33,545,891	7
Depreciation and Amortization	44,562,535	22,074,680	8
Other	11,608,138	5,231,062	9
<b>Total Operating Expenses</b>	<b>538,041,760</b>	<b>266,092,061</b>	<b>10</b>
<b>Net Operating Income</b>	<b>(1,802,016)</b>	<b>51,698,130</b>	<b>11</b>
<b>OTHER INCOME</b>			
Nonoperating Income and Expense	(32,845,836)	(1,308,357)	12
Nonoperating Taxes	(13,842,061)	19,014,583	13
Interest and Related Items	0	0	14
Extraordinary Items	0	0	15
Nonregulated Net Income	0	0	16
<b>Total Nonoperating Income</b>	<b>(19,003,775)</b>	<b>(20,322,940)</b>	<b>17</b>
<b>Net Income</b>	<b>(20,805,791)</b>	<b>31,375,190</b>	<b>18</b>

Income Statement - Total Company Note:

Disclose additional material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable, including:

1. A summary of significant accounting policies, including, but not limited to, accounting policies related to pension cost, unbilled revenues, and income taxes.
2. The method of computing depreciation expense.

Revenue recognition- we record revenues monthly as service is rendered or products are delivered. To match revenues with associated expenses, we accrue unbilled revenues for telecom services delivered to customers but not yet billed at month-end. Our telecom service revenues are comprised of network services, which include wholesale and dedicated business line revenues, and retail sales, which include commercial and consumer long distance revenues. In conjunction with our efforts to expand our fiber optic network we entered into agreements to grant and exchange fiber-use rights, principally through IRU agreements. Prior to July 1, 1999, we recognized revenues of fiber-use rights that qualified for sales-type lease accounting at the time of delivery and acceptance of the dark fiber by the customer. Effective July 1, 1999 we changed our revenue recognition policy to recognize revenues on fiber-use right agreements, or similar agreements, over the period of the agreement, rather than at the time of execution, if title to the fiber does not transfer to the customer by the end of the agreement term, per FASB Interpretation No.43

We file a consolidated US income tax return. We defer income taxes to provide for the temporary differences between the financial reporting basis and the tax basis of our assets and liabilities.

We depreciate and amortize our telecom PP&E and intangibles on the straight-line basis over the estimated useful lives of the assets.

**INCOME STATEMENT - WISCONSIN INTRASTATE OPERATIONS**

<b>Particulars (a)</b>	<b>Wisconsin Intrastate % This Year (b)</b>	<b>This Year (c)</b>	<b>Last Year (d)</b>	
Operating Revenues	0%	54,655	0	1
<b>OPERATING EXPENSES</b>				
Access and Billing Expenses	0%	0	0	2
Local Interconnection	0%	0	0	3
Other Charges Imposed by Another Carrier	0%	0	0	4
Communication System Operations	0%	0	0	5
Sales and Marketing	0%	0	0	6
Administrative and General	0%	0	0	7
Depreciation and Amortization	0%	0	0	8
Other	0%	0	0	9
<b>Total Operating Expenses</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>10</b>
<b>Net Operating Income</b>	<b>0%</b>	<b>54,655</b>	<b>0</b>	<b>11</b>
<b>OTHER INCOME</b>				
Nonoperating Income and Expense	0%	0	0	12
Nonoperating Taxes	0%	0	0	13
Interest and Related Items	0%	0	0	14
Extraordinary Items	0%	0	0	15
Nonregulated Net Income	0%	0	0	16
<b>Total Nonoperating Income</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>17</b>
<b>Net Income</b>	<b>0%</b>	<b>54,655</b>	<b>0</b>	<b>18</b>

Income Statement - Wisconsin Intrastate Operations Note:

Please state the bases upon which the Wisconsin intrastate factors were developed and provide supporting calculations.

Operating revenues- Wisconsin intrastate revenues as a % of total company revenue for 2001; \$54,655 divided by \$536,239,744, which is .001 or .01%.

**TOTAL COMPANY BALANCE SHEET - ASSETS**

<b>Particulars (a)</b>	<b>Balance--EOY (b)</b>	<b>Balance--FOY (c)</b>	
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	1,822,327	3,911,300	<b>1</b>
Net Telecommunications Accounts Receivable	232,210,192	132,110,000	<b>2</b>
Net Other Accounts Receivable	0	0	<b>3</b>
Net Notes Receivable	35,415,264	48,614,000	<b>4</b>
Interest and Dividends Receivable	0	0	<b>5</b>
Materials and Supplies	134,667	1,985,000	<b>6</b>
Prepayments	35,547,716	14,095,000	<b>7</b>
Other Current Assets	5,985,466	955,000	<b>8</b>
<b>TOTAL CURRENT ASSETS</b>	<b>311,115,632</b>	<b>201,670,300</b>	
<b>NONCURRENT ASSETS</b>			
Investments in Affiliated Companies	0	0	<b>9</b>
Investments in Nonaffiliated Companies	50,425,896	30,448,000	<b>10</b>
Other Noncurrent Assets	41,026,000	39,614,000	<b>11</b>
Deferred Charges	70,498,848	87,953,000	<b>12</b>
<b>TOTAL NONCURRENT ASSETS</b>	<b>161,950,744</b>	<b>158,015,000</b>	
<b>PLANT</b>			
Telecommunications Plant in Service	629,815,552	487,779,296	<b>13</b>
Less: Accumulated Depreciation and Amortization	80,617,768	41,392,000	<b>14</b>
Net Property Held for Future Telecommunications Use	0	0	<b>15</b>
Net Nonoperating Plant	0	0	<b>16</b>
Telecommunications Plant Under Construction	452,251,744	285,316,704	<b>17</b>
Net Telecommunications Plant Adjustment	0	0	<b>18</b>
<b>TOTAL PLANT</b>	<b>1,001,449,528</b>	<b>731,704,000</b>	
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b><u>1,474,515,904</u></b>	<b><u>1,091,389,300</u></b>	

**TOTAL COMPANY BALANCE SHEET - LIABILITIES AND CAPITAL**

<b>Particulars (a)</b>	<b>Balance--EOY (b)</b>	<b>Balance--FOY (c)</b>	
<b>CURRENT LIABILITIES</b>			
Accounts and Notes Payable to Affiliated Companies	0	0	<b>1</b>
Other Accounts and Notes Payable	346,492,224	181,686,000	<b>2</b>
Advance Billing and Payments	0	0	<b>3</b>
Customer Deposits	0	0	<b>4</b>
Current Maturities - Long-Term Obligations	254,100,000	100,000,000	<b>5</b>
Taxes Accrued	15,792,103	10,476,000	<b>6</b>
Other Current and Accrued Liabilities	39,618,012	30,715,000	<b>7</b>
<b>TOTAL CURRENT LIABILITIES</b>	<b>656,002,339</b>	<b>322,877,000</b>	
<b>LONG-TERM DEBT</b>			
Net Funded Debt	0	0	<b>8</b>
Obligations Under Capital Leases	0	0	<b>9</b>
Advances from Affiliated Companies	0	0	<b>10</b>
Other Long-Term Debt	0	0	<b>11</b>
<b>TOTAL LONG-TERM DEBT</b>	<b>0</b>	<b>0</b>	
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>			
Other Long-Term Liabilities	0	0	<b>12</b>
Unamortized Investment Tax Credits	0	0	<b>13</b>
Net Noncurrent Deferred Income Taxes	0	0	<b>14</b>
Other Deferred Credits	171,116,912	200,310,000	<b>15</b>
<b>TOTAL OTHER LIABILITIES AND DEFERRED CREDITS</b>	<b>171,116,912</b>	<b>200,310,000</b>	
<b>STOCKHOLDERS' EQUITY</b>			
Capital Stock and Paid-In Capital	609,697,152	509,696,992	<b>16</b>
Other Capital	0	0	<b>17</b>
Retained Earnings	37,699,512	58,505,304	<b>18</b>
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>647,396,664</b>	<b>568,202,296</b>	
<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b><u>1,474,515,915</u></b>	<b><u>1,091,389,296</u></b>	

## **TOTAL COMPANY BALANCE SHEET - NOTES**

### **Other information concerning the total company balance sheet.**

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Audited financial statements were not prepared or published for Touch America, Inc. for 2001. The financial position, results of operations and cash flows were included in the Annual Report on form 10-K for our parent company, Touch America Holdings, Inc.

**RETAINED EARNINGS - TOTAL COMPANY**

<b>Particulars (a)</b>	<b>This Year (b)</b>	<b>Last Year (c)</b>	
Balance - First of Year	0	27,130,110	<b>1</b>
<b>Changes:</b>			
Balance Transferred from Income	(20,805,792)	31,375,190	<b>2</b>
Dividends Declared	0	0	<b>3</b>
Miscellaneous Debits to Retained Earnings	0	0	<b>4</b>
Miscellaneous Credits to Retained Earnings	0	0	<b>5</b>
<b>Balance - End of Year</b>	<b><u>(20,805,792)</u></b>	<b><u>58,505,300</u></b>	<b>6</b>

**TELECOMMUNICATIONS PLANT IN SERVICE & ACCUMULATED DEPRECIATION &  
AMORTIZATION - WISCONSIN**

<b>Plant Function (a)</b>	<b>Plant in Service FOY (b)</b>	<b>Additions (c)</b>	<b>Retirements (d)</b>	
<b>GENERAL SUPPORT</b>				
Enter Description Here	0	0	0	<b>1</b>
<b>CENTRAL OFFICE</b>				
Equipment & antennas	5,810,117	0	66,279	<b>2</b>
<b>INFORMATION ORIG./TERM.</b>				
Enter Description Here	0	0	0	<b>3</b>
<b>CABLE WIRE FACILITIES</b>				
underground	46,503,785	25,743,617	0	<b>4</b>
<b>AMORTIZABLE</b>				
Enter Description Here	0	0	0	<b>5</b>
<b>TOTAL PLANT IN SERVICE</b>	<b>52,313,902</b>	<b>25,743,617</b>	<b>66,279</b>	

**TELECOMMUNICATIONS PLANT IN SERVICE & ACCUMULATED DEPRECIATION &  
AMORTIZATION - WISCONSIN (cont.)**

<b>Plant Function (e)</b>	<b>Transfers / Adjustments (f)</b>	<b>Plant in Service EOY (g)</b>	<b>Acc. Depr. &amp; Amortization EOY (h)</b>	<b>Net Plant in Service EOY (i)</b>	
<b>GENERAL SUPPORT</b>					
Enter Description Here	0	0	0	0	1
<b>CENTRAL OFFICE</b>					
Equipment & antennas	0	5,743,838	551,615	5,192,223	2
<b>INFORMATION ORIG./TERM.</b>					
Enter Description Here	0	0	0	0	3
<b>CABLE WIRE FACILITIES</b>					
underground	0	72,247,402	433,412	71,813,990	4
<b>AMORTIZABLE</b>					
Enter Description Here	0	0	0	0	5
<b>TOTAL PLANT IN SERVICE</b>	<b>0</b>	<b>77,991,240</b>	<b>985,027</b>	<b>77,006,213</b>	



**OPERATING REVENUES**

<b>Particulars (a)</b>	<b>Wisconsin- Based Intrastate (b)</b>	<b>Wisconsin- Based Interstate (c)</b>	
<b>LOCAL NETWORK SERVICES REVENUES</b>			
End User Retail			1
Reciprocal Comp. & Interconnection			2
Private Line, Special Access & UNEs			3
Other			4
<b>NETWORK INTERSTATE ACCESS SERVICE REVENUES</b>			
End User Line Charge			5
Switched			6
Special			7
<b>NETWORK INTRASTATE ACCESS SERVICE REVENUES</b>			
Switched			8
Special			9
Enter Other Description Here			10
<b>LONG DISTANCE NETWORK SERVICES MESSAGE REVENUES</b>			
Enter Other Description Here			11
<b>LONG DISTANCE PRIVATE NETWORK REVENUES</b>			
INTEREXCHANGE	54,655	1,173,616	12
<b>MISCELLANEOUS REVENUES</b>			
Video Distance Learning			13
Directory			14
---CONF---			15
<b>GROSS OPERATING REVENUES</b>	<b>54,655</b>	<b>1,173,616</b>	
<b>UNCOLLECTIBLE REVENUES</b>			
Enter Description Here			16
<b>TOTAL UNCOLLECTIBLE REVENUES</b>	<b>0</b>	<b>0</b>	
<b>TOTAL OPERATING REVENUES</b>	<b>54,655</b>	<b>1,173,616</b>	

**OPERATING REVENUES (cont.)**

<b>Particulars (d)</b>	<b>Wisconsin- Based Total (e)</b>	<b>Total Company (f)</b>	
<b>LOCAL NETWORK SERVICES REVENUES</b>			
End User Retail	0		1
Reciprocal Comp. & Interconnection	0		2
Private Line, Special Access & UNEs	0		3
Other	0		4
<b>NETWORK INTERSTATE ACCESS SERVICE REVENUES</b>			
End User Line Charge	0		5
Switched	0		6
Special	0		7
<b>NETWORK INTRASTATE ACCESS SERVICE REVENUES</b>			
Switched	0		8
Special	0		9
Enter Other Description Here	0		10
<b>LONG DISTANCE NETWORK SERVICES MESSAGE REVENUES</b>			
Enter Other Description Here	0		11
<b>LONG DISTANCE PRIVATE NETWORK REVENUES</b>			
INTEREXCHANGE	1,228,271	536,239,744	12
<b>MISCELLANEOUS REVENUES</b>			
Video Distance Learning	0		13
Directory	0		14
---CONF---	0		15
<b>GROSS OPERATING REVENUES</b>	<b>1,228,271</b>	<b>536,239,744</b>	
<b>UNCOLLECTIBLE REVENUES</b>			
Enter Description Here	0		16
<b>TOTAL UNCOLLECTIBLE REVENUES</b>	<b>0</b>	<b>0</b>	
<b>TOTAL OPERATING REVENUES</b>	<b>1,228,271</b>	<b>536,239,744</b>	

**AVERAGE NUMBER OF SUBSCRIBERS**

<b>Average Number of Subscribers (a)</b>	<b>Wisconsin-Based Total (b)</b>	<b>Total Companyl (c)</b>	
Residential			1
Business			2
<b>Total</b>	<b>0</b>	<b>0</b>	3

**NUMBER OF LIFELINE AND LINKUP CUSTOMERS**

<b>Number of Lifeline and Linkup Customers (a)</b>	<b>Wisconsin (Actual No.)(b)</b>	
Number of Lifeline Customers in Wisconsin at December 31, 2001		1
Number of Linkup Customers in Wisconsin Connected During 2001		2

**ACCESS EXPENSES, BILLING EXPENSES & CHARGES IMPOSED BY ANOTHER CARRIER**

<b>Particulars (a)</b>	<b>Wisconsin- Based Intrastate (b)</b>	<b>Wisconsin- Based Interstate (c)</b>	
<b>ACCESS AND BILLING EXPENSES</b>			
Carrier Common Line (Intrastate IntraLATA)			1
Carrier Common Line (Intrastate InterLATA)			2
Carrier Common Line (Interstate)			3
Switched Access			4
Special Access			5
Billing and Collection Expenses			6
<b>TOTAL ACCESS AND BILLING EXPENSES</b>	<b>0</b>	<b>0</b>	
<b>CHARGES IMPOSED BY ANOTHER CARRIER</b>			
Expenses Related to Interconnection with Another Local Exchange Carrier's Facilities			7
Expenses Related to the Wholesale Use of Another Carrier's Network (Resale & Unbundled Network Elements) and Tariffed General Service Offerings			8
<b>TOTAL CHARGES IMPOSED BY ANOTHER CARRIER</b>	<b>0</b>	<b>0</b>	
<b>TOTAL ACCESS EXPENSES, BILLING EXPENSES &amp; CHARGES IMPOSED BY ANOTHER CARRIER</b>	<b>0</b>	<b>0</b>	

# **ACCESS EXPENSES, BILLING EXPENSES & CHARGES IMPOSED BY ANOTHER CARRIER** **(cont.)**

<b>Particulars (d)</b>	<b>Wisconsin- Based Total (e)</b>	<b>Total Company (f)</b>
<b>ACCESS AND BILLING EXPENSES</b>		
Carrier Common Line (Intrastate IntraLATA)	0	1
Carrier Common Line (Intrastate InterLATA)	0	2
Carrier Common Line (Interstate)	0	3
Switched Access	0	4
Special Access	0	5
Billing and Collection Expenses	0	6
<b>TOTAL ACCESS AND BILLING EXPENSES</b>	<b>0</b>	<b>0</b>
<b>CHARGES IMPOSED BY ANOTHER CARRIER</b>		
Expenses Related to Interconnection with Another Local Exchange Carrier's Facilities	0	7
Expenses Related to the Wholesale Use of Another Carrier's Network (Resale & Unbundled Network Elements) and Tariffed General Service Offerings	0	8
<b>TOTAL CHARGES IMPOSED BY ANOTHER CARRIER</b>	<b>0</b>	<b>0</b>
<b>TOTAL ACCESS EXPENSES, BILLING EXPENSES &amp; CHARGES IMPOSED BY ANOTHER CARRIER</b>	<b>0</b>	<b>0</b>

**CENTRAL OFFICE DATA - END OF YEAR**

When an exchange has more than one central office, data must be reported for each central office.

<b>Description (a)</b>	<b>Central Off. (b)</b>	<b>Central Off. (c)</b>	<b>Central Off. (d)</b>	<b>Central Off. (e)</b>
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NONE

Rate Center Name	1
Central Office (Switch) CLLI Code	2
Switch Location	3
Manufacturer of COE	4
Year COE Installed	5
Type of Equipment	6
(S)tandalone, (H)ost, (R)emote, (A)dv. Fiber Comm.	7
Remote Host Rate Center Name	8
Remote Host Switch CLLI Code	9
COE Generic Software Release No.	10
SS7?	11
9-1-1?	12
Access Lines - In Use	13
- Equipped	14
- Wired	15
Trunks - In Use	16
- Equipped	17
- Wired	18
ISDN Available?	19
ISDN Lines - In Use (BRI)	20
- In Use (PRI)	21
xDSL Available?	22
- In Use (# lines)	23
Switched 56 Service?	24
Switched 56 lines in use	25

<sup>1</sup> Teleco provided end-to-end facility.

**CENTRAL OFFICE DATA - END OF YEAR**

When an exchange has more than one central office, data must be reported for each central office.

<b>Description (a)</b>	<b>Central Off. (b)</b>	<b>Central Off. (c)</b>	<b>Central Off. (d)</b>	<b>Central Off. (e)</b>
NONE				
Digital Transmission Facilities: DS-1 - In Use				26
DS-3 - In Use				27
Advanced Data Service Available:				
Packet Switching?				28
SMDS?				29
Frame Relay?				30
ATM (Asynchronous Trans. Mode)?				31
Video Information - Service Available?				32
- In Use (# lines) <sup>1</sup>				33
Fiber Transmission Facilities:				
No. of fiber strands entering C.O.				34
No. of fiber strands working (LIT) in C.O.				35
No. of fiber strands for interoffice use				36
Miles of fiber sheath in wire center				37
Access Tandem Serving this C.O.:				
- Central Office Name				38
- Central Office CLLI Code				39
Does this C.O. do access tandem switching?				40

<sup>1</sup> Teleco provided end-to-end facility.

**ASSESSABLE REVENUES**

Description (a)	This Year (b)
<b>Calculation of Assessable Revenues for Remainder and Telephone Relay Assessment Purposes</b>	
Gross Operating Revenues--Wisconsin (including outbound interstate revenues)	1,228,271 1
Less: Inbound Interstate Revenues (exclusive of uncollectible service revenues) Included in Line 1 (if any)	2
Less : Current Year Write-offs of Uncollectible Revenues	0 3
Plus: Current Year Collection of Operating Revenues Previously Written Off	0 4
Less : Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)	5
Plus: Nonregulated Net Write Off Amount (included on Lines 3 and 4)	6
<b>Total Assessable Revenues for Remainder and Telephone Relay Assessment Purposes</b>	<b>1,228,271 7</b>

**Assessable Revenues for Universal Service Fund Assessment Purposes**

Wisconsin Gross Intrastate Operating Telecommunications Service Revenue	54,655 8
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**Notes**

**"Gross Operating Revenues--Wisconsin"** are revenues before consideration of uncollectible revenues. These revenues include revenues from inbound interstate 800 and collect calls billed to customers in Wisconsin.

**"Outbound interstate revenues"** are service operations revenues received from communications originating at points within Wisconsin and terminating at points outside the state.

**"Inbound interstate revenues"** are service operations revenues received from communications originating at points outside the State of Wisconsin and terminating at points within the state.

(NOT TO BE EXCLUDED HERE ARE INBOUND INTERSTATE 800 AND COLLECT REVENUES BILLED TO CUSTOMERS IN WISCONSIN).

**"Gross"** means revenue before consideration of uncollectible amounts. Access expenses may not be netted against assessable revenues.

**"Intrastate"** means telecommunications service originating and terminating within the State of Wisconsin. Intrastate revenue does not include interstate access revenue.

**"Operating"** means provision of telecommunications services.

**"Telecommunications service revenue"** for the purpose of this assessment does not include cable television service, broadcast service, rents, directory revenue, carrier billing and collection revenue, nonregulated customer premises equipment revenue, or other miscellaneous or nonregulated revenue. However, it does include video distance learning revenue and payphone revenue (the latter which was deregulated in 1997).



## **OTHER INFORMATION**

### **Additional or other information concerning this annual report.**

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Page 17- Access Expenses, Billing Expenses and Charges Imposed by Another Carrier:  
Page 19- Central Office Data

Touch America, Inc. is not a competitive Local Exchange Carrier (CLEC). In Wisconsin, we operate as an IXC and Internet provider. These numbers reported pertain to our long-distance and internet services. Revenues by ILEC geographic wire center service areas are not available from our billing and accounting system.

Page 16- Number of subscribers- this information is currently not available from our billing system.

## **SCHEDULE AND REPORT NOTES**

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**General Footnote**

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**Schedule Footnotes**

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